

REBUTTAL TESTIMONY OF

KYLE M. YOUNG

ON BEHALF OF

SOUTH CAROLINA ELECTRIC & GAS COMPANY

DOCKET NO. 2017-305-E

DOCKET NO. 2017-207-E

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

A. My name is Kyle M. Young and my business address is P.O. Box 88, Jenkinsville, South Carolina 29065. I am the Manager, Nuclear Plant Demobilization for South Carolina Electric & Gas Company ("SCE&G" or the "Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THESE PROCEEDINGS?

A. Yes, I have. I also submitted pre-filed rebuttal testimony in Docket No. 2017-370-E, which has been consolidated for purposes with these dockets. Because this testimony addressed many of the issues raised here, that pre-filed testimony is attached as Exhibit 1 (KMY-1) to this testimony and incorporated by reference into my pre-filed rebuttal testimony in these dockets.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

Exhibit__(KMY-1) to Surrebuttal Testimony

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Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

A. My name is Kyle M. Young and my business address is P.O. Box 88, Jenkinsville, South Carolina 29065. I am the Manager, Nuclear Plant Demobilization for South Carolina Electric & Gas Company ("SCE&G" or the "Company").

Q. HAVE YOU PREVIOUSLY SUBMITTED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes, I have.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my rebuttal testimony is to address claims made by Mr. Gary Jones on behalf of the Office of Regulatory Staff ORS and Mr. Scott Rubin on behalf of AARP.

Q. HAVE YOU READ GARY C. JONES' DIRECT TESTIMONY?

A. Yes, I have read Gary C. Jones' direct testimony.

1 **Q. WHAT IS THE SUBSTANCE OF THAT TESTIMONY THAT YOU ARE**
2 **RESPONDING TO?**

3 A. Mr. Jones contends that SCE&G's March 12, 2015 filing under Docket No. 2015-
4 103-E was "deficient and presented unsubstantiated, misleading and baseless estimates of
5 the revised Project construction schedule". Mr. Jones further contends that SCE&G did
6 not "engage in a good faith effort to provide a properly vetted and documented
7 construction schedule" in its March 12, 2015 filing.

8 **Q. DO YOU AGREE WITH MR. JONES' STATEMENTS REGARDING THE**
9 **SCHEDULE INCLUDED IN THE MARCH 12, 2015 FILING?**

10 A. No, I do not. I was involved in the work performed by SCE&G and Santee
11 Cooper staff that began in the third quarter of 2014 that involved reviewing the draft
12 construction schedules and cost estimates presented by Westinghouse Electric Company,
13 LLC and Chicago Bridge & Iron (collectively "WEC/CB&I" or the "Consortium"). That
14 effort was a good faith effort undertaken by many professionals.

15 **Q. CAN YOU DESCRIBE THIS WORK IN MORE DETAIL?**

16 A. Yes. In early August 2014, the Consortium presented the results of their months-
17 long efforts to fully integrate and re-baseline the project schedule. Concurrently with the
18 schedule re-baselining, the Consortium performed updated cost estimates to update their
19 Estimate At Completion (EAC). The Consortium was not prepared to share the results of
20 the portions of the EAC that the Owner (SCE&G and Santee Cooper) was authorized to
21 see until the end of August 2014. As such, SCE&G established a schedule-focused team
22 to review the schedule options presented by the Consortium.

1 At that time, the EPC Contract had Guaranteed Substantial Completion Dates
2 (GSCDs) of March 15, 2017 for Unit 2 and May 15, 2018 for Unit 3, which corresponded
3 to the completion dates given by the Commission in Order 2012-884.

4 On August 1, 2014 the Consortium presented SCE&G with different
5 options/scenarios for substantial completion dates of the Units. More specifically, the
6 Consortium presented substantial completion dates of:

- 7 o December 2018 (Unit 2) and December 2019 (Unit 3); and
- 8 o June 2019 (Unit 2) and June 2020 (Unit 3).

9 Thereafter, SCE&G evaluated these options/scenarios, including an additional
10 option/scenario that provided for substantial completion in September 2018 (Unit 2) and
11 November 2019 (Unit 3).

12 SCE&G's team included representative from various NND departments:
13 Business & Finance, Construction, Design Engineering, Licensing, and Startup. The
14 SCE&G team was not given a copy of the Consortium's schedule, but rather was allowed
15 by the Consortium to sit with their corresponding team in a workshop-like setting and
16 view the live schedule from the Consortium's scheduling database. The Consortium
17 answered SCE&G's questions regarding their assumptions, demonstrated the logical ties
18 in the schedule, and showed the ties between the construction schedule and the
19 engineering, procurement, and other integrated portions of the schedule. The Consortium
20 also showed where a constraint had been placed in the schedule, and typically generated a
21 corresponding schedule risk item. A key result of this effort included the generation of
22 the Consortium's Schedule Risk Register, which quantified risks in terms of schedule
23 duration. The Risk Register included generation of mitigation plans for major risks. This

1 initial review took place for over a month; subsequently, there were follow up sessions on
2 specific topics that continued through early 2015.

3 **Q. IS IT CORRECT THAT THIS EFFORT LED TO THE CONSTRUCTION**
4 **SCHEDULE INCLUDED IN THE MARCH 12, 2015 FILING?**

5 A. In the first quarter of 2015 the Consortium formally communicated to the Owner
6 from their preliminary revised, integrated, EPC schedule a target substantial completion
7 date of June 19, 2019 (Unit 2) and June 16, 2020 (Unit 3). At the time of this filing, no
8 commercial agreement had been reached by the Owner with the Consortium to change the
9 EPC Contract to reflect these new dates. SCE&G ultimately decided that the substantial
10 completion dates given by the Consortium of June 2019 for Unit 2 and June 2020 for
11 Unit 3 were the most realistic of the schedules that had been reviewed since August 2014.
12 SCE&G accepted these dates as target dates for the Project to work toward, but SCE&G
13 and Santee Cooper did not agree at this time to amend the EPC Contract to reflect these
14 dates as new GSCDs.

15 **Q. HAVE YOU READ SCOTT RUBIN'S DIRECT TESTIMONY?**

16 A. Yes, I have read Scott Rubin's direct testimony.

17 **Q. WHAT IS THE SUBSTANCE OF THAT TESTIMONY THAT YOU ARE**
18 **RESPONDING TO?**

19 A. Mr. Rubin contends that the Project should have been cancelled in 2013, and that
20 there was a basis to do so at that time.

21 **Q. DO YOU AGREE?**

22 A. No, I do not. Mr. Rubin's opinion speaks to delays associated with completion of
23 the CA20 submodules for Unit 2. This is insufficient to conclude that the entire Project

1 should have been abandoned in 2013 or 2014. Mr. Rubin does not recognize that there
2 were numerous mitigating actions undertaken by the Consortium, at the Owner's request,
3 that helped to improve upon fabrication, delivery, assembly, installation and construction
4 for the CA20 module for Unit 2 as well as other major structural and mechanical modules
5 for the Project.

6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 **A. Yes, it does.**